



MEMORANDUM

TO: Special Education Directors
FROM: Michael Craciunoiu, Grant Supervisor
DATE: January 26, 2010
SUBJECT: Anticipated Equipment Inventory Update

The purpose of this guidance document is to provide clarification on equipment purchased with Part B funds in relation to:

- when an equipment modification request is required;
- allowable costs for equipment;
- when prior approval for equipment purchases is necessary; and
- how equipment expenditures and inventories will be monitored by the Indiana Department of Education (IDOE).

When is a Modification Request Related to Equipment Required?

On January 12, 2010, a memorandum providing new guidance in relation to Part B Budget Modifications was sent to Special Education Directors throughout the state. This guidance document is available at (<http://www.doe.in.gov/exceptional/speced/whatsnew.html>). As with other adjustments to Part B applications, a Part B Budget Modification Request is required when involving equipment purchases if there would be a change in scope, or if cumulative transfers between cost categories would exceed 10% of the current total approved budget.

Allowable Costs for Equipment Purchases

For a particular cost to be allowed, it must be an excess cost of providing special education and related services, unless the equipment is used for Coordinated Early Intervening Services (CEIS – maximum of up to 15% with Part B funds). When determining whether a cost is an excess cost, ask the following guiding questions:

In the absence of special education needs, would this cost exist? *If the answer is...*

- No, then the cost is an excess cost and may be eligible.
- Yes, then the cost is not an excess cost and is not allowed.

Is this cost also generated by students without disabilities? *If the answer is...*

- No, then the cost is an excess cost and may be eligible.
- Yes, then the cost is not an excess cost and is not allowed.

If it is a child specific service or equipment item, is the service or equipment item documented in the student's IEP? *If the answer is...*

- Yes, then the cost is an excess cost and may be eligible
- No, then the cost is not an excess cost and is not allowed.

For a particular cost to be allowed, it also must be *necessary* and *reasonable* for proper and efficient performance and administration of the grant. A cost is reasonable if it does not exceed what a Local Educational Agency (LEA) would normally incur in the absence of federal funds. Additional guidance about standards for determining costs for federal grants is available from Office of Management and Budget (OMB) Circular A-87 (<http://www.whitehouse.gov/omb/circulars/a087/a087-all.html#attb>).

It is important to remember that all equipment purchased with Part B funds is the responsibility of the purchasing LEA. This includes equipment purchased with Part B funds which might be used within a building outside the LEA's property, such as equipment purchased for use within a nonpublic school for which the LEA is providing services to nonpublic school students.

When is Prior Approval for Equipment Purchases Necessary?

In general, it is no longer necessary to receive a separate prior approval for each and every equipment purchase beyond what was documented at time of application. Prior approval is, however, necessary if the acquisition cost equals or exceeds \$5,000 per item. For more information about this specific federal requirement go to OMB Circular A-87 Section 19 within the above referenced hyperlink.

What is the Procedure for Requesting Prior Approval of Equipment Purchases?

Please submit requests for equipment purchases which meet the above described criteria for prior approval in an email message providing a narrative which describes how the requested equipment will be used in addition to detailed costs of the item(s). Be sure that the project number is referenced in the email text and/or subject line of your email submission to craciuno@doe.in.gov.

How will Equipment Expenditures and Inventories be Monitored by the IDOE?

The IDOE Office of Special Education may conduct Desk Audit monitoring at any time to assess compliance with federal and state requirements in addition to assessing whether or not an LEA has adequate and appropriate procedures and practices in place to manage these requirements. Documentation related to equipment purchased with Part B funds is one example of an item which may be requested during a Desk Audit.

Questions related to this guidance can be directed to me via email at craciuno@doe.in.gov or by phone at 317-232-9161.

Thank you for your collaboration,

Michael Craciunoiu
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Indiana Department of Education